

## **ECSA’s reaction to Spotify’s suggestion to “amplifying artist input in personalized recommendations” in exchange of lower royalty rates.**

16<sup>th</sup> November 2020

[The European Composer and Songwriter Alliance \(ECSA\)](#) represents over 30,000 professional composers and songwriters in 27 European countries. Our main objective is to defend and promote the rights and interests of music authors.

Today, we feel compelled to speak out against the recent announcements by Spotify to allegedly “amplifying artist input in personalized recommendations” in exchange of lower royalty rates.

According to recent data, Spotify’s per-stream rate is already one of the worst amongst music streaming platforms and has further decreased recently. On average, Spotify pays most artists between \$.003 and \$.005 for each stream<sup>1</sup>, in the best possible scenario. The company also appealed against better royalty rates for songwriters in the US while the average yearly salary of a Spotify’s employee hit \$132,301 in 2018 – more than double what it was in 2011<sup>2</sup>.

Now and in the foreseeable future, music creators heavily suffer from the COVID-19 pandemic and its consequences all over the world, with a lock-down for most cultural activities and a severe decrease of royalties’ that will continue impacting music creators in the long term.

In that context, Spotify’s suggestion to promise more exposure in exchange of lower royalty rates shows once more its profound disrespect to the community of creators who struggle to make a living. Such a “payola” also puts the spotlight on Spotify’s opaque practices which effectively results in a pay-for-play model to the benefit of a few players with detrimental consequences for the vast majority creators, consumer choice and cultural diversity alike.

Music creators are at the very source of all music on Spotify and have effectively subsidized its lack of a proper business model for years. They should not be financing yet another broken idea and deserve more respect from this company, whose current model prevents an overwhelming majority of them to make a living. It is more than time creators receive appropriate and proportionate remuneration for the use of their works.

As policy makers in Europe are implementing the Copyright Directive and increasingly considering how to regulate digital gatekeepers and the use of artificial intelligence, we encourage them to engage in critical assessment on the functioning of music streaming services including on the tools (such as playlists) they provide. We also encourage public authorities to review and analyse the distribution of streaming revenues to various categories of rightsholders so that music creators can be properly paid for the use of their works and continue to be at the source of Europe’s cultural diversity.

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<sup>1</sup> <https://www.digitalmusicnews.com/2020/08/17/how-much-does-spotify-pay-per-stream-latest/>

<sup>2</sup> <https://www.musicbusinessworldwide.com/the-average-salary-of-a-spotify-employee-hit-132301-last-year-more-than-double-what-it-was-in-2011/>